

8/11/77 [1]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 8/11/77
[1]; Container 36

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

REVISÉ

8:30 National Security Briefing - Mr. William Hyland
The Oval Office

11:00 Mr. Jody Powell - The Oval Office

3:00 Meeting with Ambassador Ellsworth Bunker,
Ambassador Sol Linowitz, Secretary Harold Brown
and Acting Secretary of State Warren Christopher
The Cabinet Room

THE WHITE HOUSE
WASHINGTON
August 11, 1977

Hamilton Jordan

The attached was returned
in the President's outbox and
is forwarded to you for appropriate
handling.

Rick Hutcheson

RE: HANDWRITTEN NOTES FROM
CARLTON AND BISHOP

X -

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI
--------	-----

	MONDALE
	COSTANZA
	EIZENSTAT
X	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

*ham -
when they
from up
itinerary, let
me know
J*

A REMINDER FROM CARLTON ABOUT
HANDWRITTEN NOTES FOR HIM AND BISHOP
TO:

PRESIDENT ANWAR al-SADAT -- Egypt

PRESIDENT HAFIZ al-ASAD -- Syria

KING HUSAYN (HUSSEIN I,) -- Jordan

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON
August 11, 1977

Stu Eizenstat
Hamilton Jordan
Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

STATEMENT BY AMBASSADORS BUNKER
AND LINOWITZ

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
✓		EIZENSTAT
✓		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
✓	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

Statement by Ambassadors Bunker and Linowitz

ok
J

We are deeply gratified to be able to announce that we and our Panamanian colleagues have today reached agreement in principle on the basic elements of a new treaty -- and a new relationship between our countries. Our legal specialists will continue working to express those elements in the formal treaty.

Though this is but one stage in the completion of our historic task, it is a major step toward our mutual goal. We will be flying back to Washington tomorrow and will go immediately to the White House to report to President Carter. We will describe to him the work that has been done during this final week of negotiations, and present for his review the agreement in principle.

It has been a long and arduous task, as you know. For more than 13 years, under 4 Presidents, we have sought a new and mutually beneficial relationship between our countries. Now we have taken a significant step toward that long sought goal.

From the point of view of the United States, we are confident that this treaty not only protects but strengthens our national security interests. It will also be a strongly positive element in our overall relationship with our Latin American neighbors and preserve our vital common interests in an open, secure and efficient canal.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

Orig to Sec England

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

August 11, 1977

Stu Eizenstat
Jack Watson

The attached was returned
in the President's outbox
today and was forwarded to
Secretary Bergland. It is
forwarded to you for your
information.

Rick Hutcheson

LIST OF PROBLEMS AND SOLUTIONS
DELIVERED BY FARMERS AND STATE
LEGISLATORS. HANDWRITTEN NOTE
TO SECRETARY BERGLAND ON SUBJECT

THE WHITE HOUSE
WASHINGTON

8-11-77

To Bob Bergland

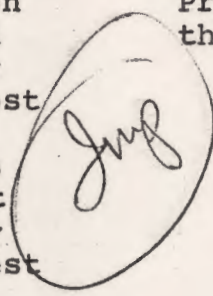
- a) A delegation of farmers & state legislators brought me this list. for delivery to you.
- b) They asked that Telfair County violators of peanut acreage allotments be punished & that other innocent farmers there not be deprived of AOS representation & service.
- c) They reported that emergency loans for drought are being abused.

J. C.

Terry Adams THE PRESIDENT HAS SEEN *Telfair Co* *PH* *farmer* *indictment*

PROBLEMS

SOLUTION TO PROBLEM

1. Corn under Commodity Credit Corporation (CCC) Loan located on farm, counts as feed on hand when applying for help under Emergency Feed Program. (Most producers put their corn in CCC loan to keep the surplus off of the market at harvest (gathering) time and usually sell before next years harvest to pay off bank loans). 
 2. Allotment and Payment yield for cotton and corn are out dated. Allotment and yield were set up for corn using 1959 and 1960 data obtained from farmer. New yield's and allotment's for corn and cotton should be established.
 3. Overproduction on corn and wheat in U.S.A.
 4. Government Price Support and control on all Peanut acres planted.
 5. Rules concerning the Farm programs are being constructed after all crops have been planted. Example-Tobacco farmer when planted in excess of their allotment by more than a certain percentage is not eligible for 1977 price support.
- Change the Emergency Feed Program to exempt corn under the CCC Loan.
- The ASCS County Committee should establish new yields and allotments based on what a farm is planting and current yields being made.
- Set up a set aside program for 1978 for both crops.
- An allotment control should be maintained on all peanuts planted for the next four years. The peanut program could stand some changes ' but Government Price Support is essential to maintain a fare market price for peanuts now being produced. All peanuts should be spot checked to maintain compliance control.
- All Farm Program Provisions which will affect the next year's crops should be constructed prior to January 1 of that year.

PROBLEMS

6. 1977 Disaster Payment for corn are based on yields and allotments established from data obtained from farmer in 1959 and 1960.
7. Farm Storage and Drying Equipment Loan interest rate is too high (7 percent at present).
8. CCC Commodity Loans are too high (6 percent at present).
9. Under the FIP (Forestry Incentive Program) the funding is out of proportion as compared to the other Conservation programs administered by USDA (This money is being tagged for FIP before it is sent to the State ASCS Offices.
10. Farm Programs are too complex and detailed for the average farmer to understand. (All programs should be simplified).
11. Federal Crop Insurance Corporation (FCIC) Insurance rates are too high in comparison to the expected yields being produced on an individual farm basis.
12. Crop Reporters and Crop Appraisers who are working as part time employees with USDA-ASCS do not have any employee benefits other than Social Security at time of retirement.

SOULTION TO PROBLEM

Disaster Program provisions should be changed to include all 1977 planted acres of corn on a farm.

All Farm Storage and Drying Equipment Loans should be reduced to 3 percent, this would enable more farmers to obtain adequate storage space needed on the farm.

The CCC Commodity Loans program should be changed to reduce the interest rates to 3 percent.

Priorities should be left up to the County Committies to place the money where it is most needed to carry out a well rounded conservation program.

The personnel who write farm programs should have a farming background and a thorough knowledge of the crops involved.

Lower the rates and increase Insurance coverage where a crop failure has occured.

Bring these part time employees under the same retirement program as other Agricultural Stabilization and Conservation Service (ASCS) employees. Give them credit for the actual time worked in prior years and let it count toward their retirement. (Some reporters have been working on a part time basis for 12- 15 years.

THE WHITE HOUSE
WASHINGTON
August 11, 1977

The First Lady
Jody Powell
Hugh Carter

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

WHITE HOUSE COMPLEX - ENERGY
CONSERVATION STUDY PROJECT

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
✓	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
✓	CARP
	H. CARTER
	CLOUGH
✓	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

August 4, 1977

cc Tody
Ros
J

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER *HC*

SUBJECT:

White House Complex - Energy Conservation
Study Project

Per your instructions (copy attached), we have taken steps to make the White House Complex a study project for energy conservation. This is a status report of our efforts to date.

In coordination with GSA, we have completed, or will soon complete, projects (listed below) which will reduce energy consumption 22% in the East and West Wings, and 24% in the OEOb.

- restricting the introduction of outside air to the five air handling units in the West Wing
- lowering domestic hot water temperatures from 130 to 110 degrees
- locking room thermostats at 65 and 78 degrees
- securing air curtains at door entrances
- supplying steam to radiators only when the outside temperature falls below 45 degrees
- raising water temperatures of chilled drinking water from 40 degrees to 55 degrees
- replacing radiator thermostats
- replacing table lamp bulbs
- removing excess window a/c units
- installing locking thermostat covers
- installing an automatic outside air control
- modifying 15KV circuit breakers in the OEOb

All of these projects were determined to be cost justified, and where applicable, a present value analysis technique was used to make this determination. (Technique which

compares the present cash value of the cost of the project to the present cash value of the savings over the life of the project). As a monitoring system we are having GSA supply monthly energy consumption reports to us.

In the Residence, all the old cork ceiling insulation was recently replaced with a more effective material. In addition, an architecture and engineering study is being performed on the Residence's electrical and HVAC systems. Major renovation is planned since little modification in this system has been performed since the 1950s. Rex Scouten and Department of the Interior officials will have concrete proposals ready by mid-September. The ultimate aim is to implement an electronic computerized control system for monitoring energy demand, fire and security alarms.

My office, along with ERDA, GSA, Department of the Interior, and Dr. Schlesinger's office is completing a solar energy feasibility study for the White House. Solar collectors are architecturally and technically feasible to install on the roof of the Mansion, East Wing, West Wing and on the East Wing and West Wing terraces. These collectors can be used to provide heating, cooling and domestic hot water to the Residence and wings. However, economic benefits derived can only be considered marginal at best. A proposal detailing technical, architectural, and cost benefit analysis will be ready to present to you soon.

Additional status reports will be forthcoming.

SUMMARY OF CONGRESSIONAL MAIL TO THE PRESIDENT

DATE: May 2, 1977

PAGE: -2-

<u>FROM</u>	<u>SUBJECT</u>	<u>DISPOSITION</u>	<u>COMMENTS</u>
Reps. Harsha, Gradison, Luken, Latta, Guyer, Clarence Brown, Ashley, Stanton, Pease, Wylie, Ashbrook, Carney, Mottl, Kindness, Clarence Miller, Devine, Seiberling, Regula, Applegate, Oakar, Stokes	Express support for construction of nuclear fuel facility at Portsmouth, Ohio, as an expansion of existing plant there, instead of relocating the facility in Oak Ridge, Tennessee.	acknowledge by FM; draft by Schlesinger (you have seen this)	
Rep. Glenn Anderson	Has introduced legislation to provide a pension of \$150/mo. for veterans of World War I.	acknowledge by FM; draft by VA	
Rep. Edward Derwinski	Forwards copy of news article sent him by a constituent and urges resignation of Robert Martin from Commodity Futures Trading Commission because of racial joke.	acknowledge by FM	
Rep. Harold Volkmer	Does not believe the White House is adequately conserving energy - could be better insulated; has also supported measures to improve energy consumption in D.C. area, such as right turn on red, flashing traffic lights after peak hours.	Hugh Carter	<i>Hugh - let's use White House as study project. Explore idea - J</i>
Rep. Henry Waxman	Forwards constituent letter complaining about cost-of-living increases for retirees.	Refer to Eizenstat	
Rep. Phil Burton	Urges continuance of Advisory Commission on Golden Gate National Recreation Area.	Refer to Eizenstat	
Rep. W. Henson Moore	Urges disaster assistance for Louisiana areas hit by floods.	Eizenstat	

THE WHITE HOUSE
WASHINGTON

August 5, 1977

Mrs. Carter
Jim Schlesinger

The attached has been forwarded
to the President. This copy is
for your information.

Rick Hutcheson

Re: White House Complex - Energy
Conservation Study Project

THE WHITE HOUSE
WASHINGTON
11 August 1977

The Vice President

The attached was returned in
the President's outbox and is forwarded
to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat
Frank Moore
Jack Watson
Bert Lance
Charlie Schultze
Zbig Brzezinski
Bob Strauss

RE: MODIFICATION OF THE OPEC-EXCLUSIONARY
AMENDMENT TO GENERALIZED PREFERENCES
(GSP)

[Handwritten signature]

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
/		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
/	/	MOORE
		POWELL
/		WATSON
/		LANCE
/		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
/	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.



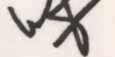
OFFICE OF THE VICE PRESIDENT

WASHINGTON

August 5, 1977

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT 


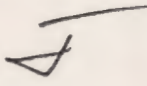
SUBJECT: A Modification of the OPEC-exclusionary
Amendment to Generalized Preferences (GSP)

You may recall that prior to the State Visit of Venezuelan President Carlos Andres Perez, you agreed to explore a proposal for modifying the amendment to the Trade Act which excludes all OPEC members from GSP. The proposal would give you discretion to designate OPEC countries to be eligible for GSP if you judged such designation to be in the national economic interest. In making such a determination, you would take into account the country's present and future price moderation and supply reliability.

Bob Strauss succeeded in getting Representative Vanik and Senator Ribicoff to postpone hearings on the GSP/OPEC amendment, but both expressed great eagerness in learning the Administration position, and I suspect they will call for hearings on the subject in September.

Therefore, in preparation for possible hearings, Bob Strauss thinks it would be a good idea to begin consultations with Congress and with the OPEC countries this month, and reassess our position in September in the light of what we learn. I agree that this is the best way to proceed.

RECOMMENDATION

That you approve the recommended strategy.  

Modify as follows: _____

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

August 11, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. Please draft note to CSA.

Rick Hutcheson .

cc: Frank Moore
Jack Watson
Bert Lance
Joe Aragon
Jim Schlesinger

RE: CSA RETENTION OF WEATHERIZATION

THE WHITE HOUSE
WASHINGTON

Mr. President:

Joe Aragon concurs with Jack Watson, that "even though centralization of weatherization monies in DoE is necessary, care needs to be taken to ensure some meaningful role for CSA."

Congressional Liason office indicates that there is strong feeling in the House and Senate to retain weatherization as a poverty program - at a minimum a strong interagency agreement is essential.

Memos from Olivarez, Lance, Schlesinger, and Watson have been summarized by Eizenstat, and hence, are not submitted.

Rick .

Handwritten notes and signatures in the top left corner, including a large 'W' and various initials.

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI
✓	
✓	
✓	
✓	
✓	

STY - DRAFT NOTE TO
CSA

MONDALE
COSTANZA
EIZENSTAT
JORDAN
LIPSHUTZ
MOORE
POWELL
WATSON
LANCE
SCHULTZE

ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

✓	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
✓	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 8, 1977

MEMORANDUM TO:

THE PRESIDENT

FROM:

STU EIZENSTAT
FRANK RAINES

Stu

SUBJECT:

CSA Retention of Weatherization

Grace Olivarez has sent you a memorandum requesting that the Community Services Administration be permitted to retain its home weatherization program for poor people. This has been a CSA program since 1965 and has an appropriation of \$110 million in FY 1977. The Administration requested no funds for this activity for CSA in the FY 1978 budget. It was proposed that the appropriation be shifted to the Federal Energy Administration (DOE). It appears that the conference committee on the DOL-HEW appropriation will provide about \$52 million for CSA weatherization. The Department of Energy will have \$65 million for the same purpose.

The issue here is simply which federal agency will be the sponsor for weatherization efforts for poor people. Both DOE and CSA will utilize local Community Action Agencies to actually deliver the services.

Director Olivarez argues that weatherization is not an energy program but a poverty program. It is one of CSA's most successful programs and she believes that its retention is essential to maintaining the credibility of the agency.

Secretary Schlesinger argues that the weatherization program is a part of the overall energy conservation effort and therefore, should be centralized in DOE. CSA would retain a role through its authority for energy crisis intervention. CSA currently engages in emergency fuel payments, advocacy at utility rate proceedings, consumer education and assistance in providing warm clothing and blankets.

OMB finds the dual administration of the weatherization program to be inefficient and that consolidation of the function in DOE would be most consistent with the National Energy Plan. They suggest that CSA's function should be to develop new programs for the poor which would be transferred to operating departments once their merit is shown. Weatherization is one such program in their view.

Jack Watson suggests that if the weatherization program is shifted to DOE that CSA continue to play a part in approving the administrative procedures for the program, perhaps through an inter-agency agreement. He notes that removing the program totally from CSA's influence would tend to undermine efforts to rehabilitate the role of the agency in the minds of its supporters.

Recommendation

On the merits it appears that the weatherization function should be a part of the Department of Energy. It is closely related to the overall conservation program. Having a responsibility to serve the poor might prove to be useful in insuring that the department maintains its consumer perspective. DOE should be instructed to work with CSA in establishing the administrative procedures for the program.

You should know that it is not clear how Congress will come out on this issue. They rejected the Administration's budget position of only funding weatherization in DOE. There is a good possibility that they will seek to continue the weatherization program in CSA as well as DOE.

Decision

1. CSA retain weatherization program
(CSA recommends) _____
2. Consolidate weatherization efforts
in DOE. (DOE, OMB, Watson and
Domestic Policy Staff recommend) _____

✓

J

THE WHITE HOUSE

WASHINGTON

Date: August 5, 1977

MEMORANDUM

FOR ACTION:

→ Stu Eizenstat
Frank Moore
Joe Aragon

attached
attached
attached

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Jack Watson's memo 8/5/77 re:
CSA Retention of Weatherization Efforts

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11 A.M.

DAY: MONDAY

DATE: AUGUST 8

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
/		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

/	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Community WASHINGTON, D.C. 20506
Services Administration



July 20, 1977

MEMORANDUM TO THE PRESIDENT

THRU: Jack Watson

FROM: Graciela (Grace) Olivarez
Director, Community Services
Administration (CSA)

SUBJECT: CSA Retention of Weatherization Efforts

The Office of Management and Budget has advised me that CSA's weatherization efforts are to be removed to the Federal Energy Administration with a view toward consolidating all Federal energy efforts under one Agency. I, of course, share the Administration's goals of greater efficiency and elimination of duplicate programs. And, I appreciate the need to consolidate energy programs in furtherance of these goals. CSA's weatherization program, however, is not an energy program. It is a poverty program. Moreover, as such, it has proved to be an important catalyst for generating, leveraging, and expanding other related poverty programs.

At my swearing in ceremony the President said that CSA was to be the agency "that will cut through the bureaucracy for the poor." That's exactly what we've done with this program. As a direct result of CSA having successfully weatherized some 200,000 poverty dwellings through our 900 local community action agencies, CSA has leveraged its weatherization dollars to expand incomes, capitalize successful businesses, generate low interest loan programs, and train unskilled poor in construction crafts. Our weatherization efforts are tied to advocacy on utility rates, to preventing utility shut-offs, to educational outreach, and to our overall efforts in nutrition, health, and supportive services. In short, the weatherization program of CSA is the centerpiece around which a range of needed services are provided for the poor of the nation.

Weatherizing poverty dwellings is clearly distinguishable from an overall energy program for it gives rise to different problems and opportunities than the weatherization of non-poverty dwellings.

The labor intensive nature of weatherization and the relatively low level skills required present ready-made training, employment, and economic development opportunities for our community action agencies.

The Congressional and general view of these efforts is strong and uniform: CSA is clearly the best of the three Federal agency weatherization programs.^{1/} \$65 million has just been appropriated by the Labor/HEW Appropriations Conference to continue our efforts. The Ashley bill (H.R. 7893) requires other agencies to conform their efforts to the CSA model.^{2/} Senator Kennedy has signaled opposition to any removal of CSA's weatherization function.^{3/} The Senate Banking Committee today marked up the National Energy Act weatherization sections along lines identical to the Ashley bill. If we press for removal, an unnecessary clash with Congress is likely.

In summary, CSA's funding of other programs has in many communities been deliberately tied to the weatherization of dwellings. CSA needs the weatherization monies and functions to sustain its momentum and increase its credibility in attacking poverty problems. We urgently request reconsideration of this matter in order to avoid a crippling blow to CSA's overall efforts toward providing meaningful services to the poor. For, removal of weatherization to another agency will surely damage those efforts in a fundamental way.

^{1/} H.R. 7893, Conference Report, 95-488, Part 1, p. 9.

^{2/} Id.

^{3/} See remarks of Senator Edward Kennedy during debate on H.R. 7555, FY 1978, Labor-HEW Appropriations. June 29, 1977, Congressional Record.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 29 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bert Lance *jm for*
SUBJECT: Federal Weatherization Efforts

During our review of the Community Services Administration (CSA) draft reauthorization bill we recommended deleting the authorization for CSA's weatherization program in light of the decision to rely on the Federal Energy Administration (Department of Energy) for such activities. The CSA program insulates homes of families with incomes below 125 percent of the poverty guidelines through grants to community action agencies. The program received its first appropriation in 1975 of \$16 million and is at \$110 million in 1977. Under the Federal Energy Administration (FEA) 1976 reauthorization act, another weatherization program was established with grants made to States who in turn make subgrants to community action agencies and other local entities. The FEA program is initially funded this year at \$27.5 million. Your National Energy Plan raises the authorized funding level and assumes FEA's (Department of Energy's) program will be funded at \$130 million in 1978 and \$200 million annually from 1979 through 1985.

Representative Ashley's subcommittee of the House Banking Committee has proposed amending the National Energy Act to authorize three parallel programs -- administered by FEA, CSA, and the Farmers Home Administration -- to follow the CSA model. At the urging of community action agencies, the existing FEA authorization would be amended to expand eligibility for assistance and increase the cost per dwelling.

We recommend ending this dual authorization and administration of weatherization programs and the decision to give the Department of Energy sole responsibility for weatherization be reaffirmed for the following reasons:

- The weatherization of homes through Federal grants is an energy program, despite CSA's contention it is a poverty program. We agree that grantees must be sensitive to the special needs of the poor but how poor people's homes are insulated is an energy conservation question. Responsibility for the development of technically sound weatherization techniques will reside in the Department of Energy and we believe that they should also have the authority and responsibility for implementation. Such a consolidation of weatherization activities in the Department of Energy is part of your National Energy Plan.
- Grants to community action agencies by CSA only cover 70% of the Nation's counties. By giving grants to States, FEA's program by law covers all counties, yet retains community action agencies as presumptive sponsors where States recognize the community action agencies as operating efficient weatherization programs. Thus, the same community action agencies will receive funds under the Department of Energy authority as they do under CSA's program.
- Numerous complaints have come to OMB from community action agencies receiving both CSA and FEA weatherization funds. The complaints have centered on different reporting requirements, limitations on expenditures allowed for labor, and grant application forms. Grantees have advised us that despite congressional and Administration directives to coordinate their programs, CSA and FEA have failed to do so in a meaningful way--in part because of the differing statutory restrictions placed on the programs.
- As originally conceived, CSA (formerly the Office of Economic Opportunity) was designed to conceive and develop successful, innovative Federal programs to assist the poor. The weatherization program is regarded by CSA as one of its more successful programs and while it is painful for CSA to "give up" their component of this effort, our recommendation is consistent with one of the principles establishing CSA as an agency--to undertake research and demonstration projects.

- Weatherization is perceived as successful primarily because of community action agencies -- not CSA. Community action agencies, using their own initiative and discretionary program funds, began weatherization activities as early as 1973 and gained credibility for their efforts without prompting by CSA. CSA devotes less than a dozen staff-years to weatherization and most of the technical assistance (pamphlets, conferences, etc.) for grantees has been "packaged" by CSA from information developed by other agencies. We believe the key to the program's popularity has been the independent efforts of community action agencies, not any specific expertise or guidance contributed by CSA.
- If CSA retains weatherization as an operational program, the Department of Energy will not be fully accountable for the overall conduct of energy conservation. We believe it is important for the Department to have the only visible energy program specifically assisting low income people if you wish the Department to be perceived as concerned with energy problems of both the poor and nonpoor.

While we believe the Department of Energy needs to have sole authority over weatherization funds, the Department should be required to consult with CSA on administrative procedures and the funding of grantees. We do not recommend deletion of CSA authorities for other energy conservation activities (e.g., emergency loans to families, special fuel voucher or stamp programs, alternative transportation activities designed to save fuel, outreach efforts, etc.) because these authorities are a useful means for CSA to test new ideas for helping the poor which could become -- like weatherization -- operational. On balance we believe our recommendation, while consistent with your National Energy Plan for single agency responsibility for weatherization, maintains CSA's role in developing innovative new means for providing energy conservation services for the poor.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO JACK WATSON

FROM:

JAMES R. SCHLESINGER 

SUBJECT:

LOCATION OF THE FEDERAL WEATHERIZATION PROGRAM

A major argument for the new Department of Energy has been that a centrally focused attack on this Nation's energy problems will be far more effective than will many energy programs scattered throughout the Federal Government. Administration of the national weatherization program by FEA is consistent with this philosophy. Administration of this program by an agency only tangentially concerned with energy is not.

The National Energy Act requires FEA (DOE) to develop standards for energy conservation measures and their installation. Lud Ashley modified the Act to insure that the standards developed apply to all residential dwellings, regardless of the occupant's income level. FEA will be able to ensure these techniques are applied effectively in the weatherization program. The Administration's request that FEA (DOE) develop and administer the weatherization program was based on a determination to implement a plan for energy conservation for all Americans.

Weatherization is but one component of CSA's Emergency Energy Conservation Services program. The program includes emergency fuel payments, intercession with fuel companies to prevent cut-offs or restore service, advocacy in utility rate proceedings, the purchase of warm clothing and blankets, and consumer education. CSA administers its programs through the Community Action Agencies (CAA). CAA's are broad-based non-profit community organizations which administer programs funded by DOL, HEW and EDA, as well as CSA. FEA's program will be administered through the States, but local CAA's will be the primary sub-grantees of the weatherization grants. I believe CSA is the appropriate agency to provide crisis intervention activities for the poverty community. Placing the weatherization program in FEA (DOE) leaves CSA free to focus on its many crisis intervention activities, which are easily distinguished from weatherization.

FEA has the capability to collect and evaluate energy data and to calculate the energy savings resulting from the weatherization program. CSA does not have this capability. The data used to develop the allocation formula for their present crisis intervention program was obtained from FEA and HEW.

FEA's program is in place and ready to operate. FEA received its program appropriation on May 4, 1977, and issued final guidelines on June 1, 1977. Although ECPA provides a State with a 90-day application period, FEA received its first grant application on July 22. By December 1977, FEA expects to have weatherized 115,000 eligible dwelling units. FEA has shown it has the capability to expand this program as additional funds become available.

Lud Ashley carefully reviewed the FEA and CSA programs. His conclusion was to support the Administration's proposed FEA weatherization program. Therefore the bill proposed by Ashley's Housing Subcommittee and now reported out by the Ashley Ad-Hoc Committee has the weatherization program in FEA. The Proxmire Senate Committee on Banking, Housing and Urban Affairs similarly reported out the Administration's proposal on the FEA weatherization program.

Maintaining two separate weatherization programs invites Congress to decide which to support. I believe the Administration should support placing the weatherization program in FEA(DOE).

THE WHITE HOUSE

WASHINGTON

Date: August 5, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Frank Moore
Joe Aragon

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Jack Watson's memo 8/5/77 re:
CSA Retention of Weatherization Efforts

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11 A. M.

DAY: MONDAY

DATE: AUGUST 8

ACTION REQUESTED:

☒ Your comments
Other: _____

STAFF RESPONSE:

☐ I concur.
Please note other comments below:

☐ No comment.

There is a strong feeling in the House Circle
to retain this as a poverty program -
at a minimum ~~and~~ a strong interagency
agreement is essential. Bill.
If the weatherization program is transferred, we
anticipate strong resistance in the Senate as well.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson
Jim Parham

August 5, 1977

RE:

CSA Retention of Weatherization Efforts

Attached is a memorandum from Grace Olivarez asking that CSA be permitted to retain its weatherization programs. Both OMB and DOE make cogent arguments to the contrary, and, according to Jim Schlesinger's memorandum, Congressional action favors placement of the program with FEA.

If the weatherization program is transferred from CSA to FEA, we would suggest that some compensating action be taken, such as requiring an inter-agency agreement on the program, or requiring FEA to secure CSA approval on its administrative procedures for the program. Not only would such an arrangement assure greater sensitivity to the energy needs of the poor, it would help CSA retain credibility. Reports indicate that the program has been managed quite satisfactorily.

In spite of its external and internal problems, CSA still has considerable symbolic significance as the Federal government's principal effort to hear and respond directly to the concerns of the poor. The Nixon Administration openly tried to destroy CSA, but this Administration is pledged to strengthen and revitalize it. Removing this popular and timely weatherization effort totally from CSA's influence will tend to undermine the work of those you have appointed to leadership positions in CSA and do further symbolic injury to an Agency which is struggling to define its role and maintain its "standing" in this Administration.

Attachment

THE WHITE HOUSE

WASHINGTON

August 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JOE ARAGON JA

SUBJECT: WATSON MEMO RE CSA RETENTION OF
WEATHERIZATION EFFORTS

I agree with Jack Watson's approach. Even though centralization of weatherization monies in FEA (DOE) is necessary, care needs to be taken to ensure some meaningful role for CSA.

The fact is, that as Grace Olivarez points out, CSA's weatherization programs for the poor operated through its network of local community action agencies are the most effective of those which have been attempted. The agency has a unique, in-place mechanism for dealing with the poor of this country. That special expertise developed over a period of years should not be overlooked in the consolidation of weatherization efforts.

Grace Olivarez, assisted by a completely new, professional staff very much in tune with the President's concern for the poor and near poor of this country (several of the senior staff worked in the campaign) is doing an outstanding job of trying to restore the agency as a source of support and help rather than of frustration for the poor. A continued meaningful role in the weatherization program will do much to help her achieve these goals.

THE WHITE HOUSE

WASHINGTON

Date: August 5, 1977

454
MEMORANDUM

FOR ACTION:

Stu Eizenstat
Frank Moore
Joe Aragon

FOR INFORMATION:

The Vice President

✓ X c
✓ Schin
✓ Raines
Camp

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Jack Watson's memo 8/5/77 re:
CSA Retention of Weatherization Efforts

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11 A.M.

DAY: MONDAY

DATE: AUGUST 8

ACTION REQUESTED:

X Your comments
Other:

STAFF RESPONSE:

 I concur. No comment.
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required

THE WHITE HOUSE

WASHINGTON

Date: August 5, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Frank Moore
Joe Aragon

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Jack Watson's memo 8/5/77 re:
CSA Retention of Weatherization Efforts

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11 A.M.

DAY: MONDAY

DATE: AUGUST 8

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required

THE WHITE HOUSE
WASHINGTON

August 8, 1977

Frank Moore

The attached was returned
from the President today and
the signed original is forwarded
to you for appropriate handling.

Rick Hutcheson

cc: Jack Watson, Stu Eizenstat,

RE: LETTER TO SENATOR CHURCH

Leag Brzezinski

*Procedure
changed and
original letter
delivered to
Asst. Sec. Woodward at
Treasury To be put in
brochure*

THE WHITE HOUSE
WASHINGTON

To Senator Frank Church

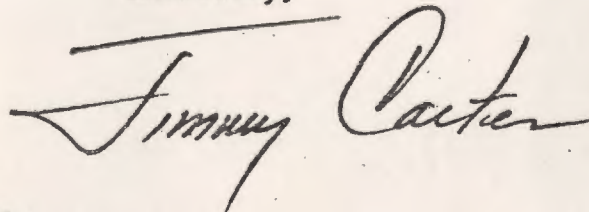
I am writing in response to Senator Javits' request for a statement concerning the absence of a provision with respect to airline taxation in the proposed tax treaty between the United States and the Philippines.

In its negotiations with the Philippines, the Treasury Department tried to obtain provisions to the effect that each country would exempt from tax profits earned by airlines of the other country. By reason of its existing tax agreements, however, the Philippines could not grant an airlines exemption to the United States without at the same time granting it to several other countries. The United States and the Philippines therefore agreed that the treaty would not cover airlines at all, in order to avoid setting a precedent for other tax treaties.

Under the above circumstances, we do not regard the Philippines treaty as a precedent which departs from the principle that airlines should be subject to tax only in their home country; and I assure you that the Treasury Department in subsequent negotiations will insist strenuously on a reciprocal exemption provision.

The treaty would be of substantial benefit to the United States by lowering Philippines taxes on income from the approximately three-fourths of a billion dollars investment which the United States has in that country, and it would improve our ties with this developing and friendly nation.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

The Honorable
Frank Church
United States Senate
Washington, D. C. 20510

→ Ride

Pres. saw this and
signed attached letter to
Sen. Church which was
sent back by courier.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

ACTION

August 6, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: JACK WATSON *Jack*
SUBJECT: Ratification of Income Tax Treaty with
the Philippines

The attached memorandum to me from Larry Woodworth is self-explanatory, as is the attached proposed letter from you to Senator Church. The NSC concurs with Treasury's recommendation that the letter be sent as drafted.

If the letter is satisfactory, the courier could return it to me for immediate delivery to Treasury. The Foreign Relations Committee asked Treasury to submit its supplemental materials on the treaty on Monday, August 8.

MEMORANDUM

NATIONAL SECURITY COUNCIL

August 5, 1977

MEMORANDUM FOR: JACK WATSON

FROM: CHRISTINE DODSON *CD*

SUBJECT: Ratification of Income Tax
Treaty with the Philippines

The NSC concurs with Treasury's recommendation that the President send Senator Church the letter as drafted.



THE DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUL 30 1977

1977 AUG 1 PM 1 11

MEMORANDUM FOR THE HONORABLE JACK WATSON
SECRETARY TO THE CABINET

Subject: Ratification of income tax treaty with the
Philippines

Attached is a draft letter from the President to Senator Church in connection with ratification of the proposed income tax treaty between the United States and the Philippines.

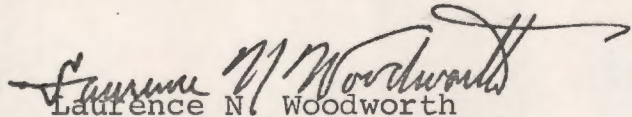
The letter is requested because of hearings held on July 19 and 20 before the Senate Foreign Relations Committee on ratification of the treaty. The Air Transport Association urged the Senate to reject the Philippines treaty on the ground that the treaty did not reciprocally exempt airlines of one country from taxation by the other country. All our existing income tax treaties contain such a reciprocal exemption provision.

The letter states that the Philippines treaty should not be regarded as a precedent in regard to airlines, since it does not cover the subject; and that in subsequent negotiations the Treasury Department will insist strenuously on the reciprocal exemption for airline profits.

The Treasury in negotiations made repeated attempts to obtain such exemption, and at the urging of the airlines made a special final attempt through our embassy in Manila. The Undersecretary of Finance of the Philippines told our embassy that there was "no chance" that the Philippines would agree to such an exemption. The principal reason was that, if the Philippines gave the United States such an exemption, under most-favored-nation clauses it would also have to give it to several other countries. The Philippines did offer to lower their tax from 2-1/2 percent to 1-1/2 percent of gross billings, but for prece-dential reasons the airlines preferred to have no provision at all.

In Treasury testimony, we stated that because the treaty did not contain any agreement on the airline issue, it therefore did not constitute a precedent in the negotiation of other tax treaties. We also stated that the Treasury Department would strongly insist in future negotiations on the principle of an airline exemption. Senator Javits asked if he could get a letter from the President to that effect and I stated that we would do our best to obtain such a letter.

As the letter indicates, we think that the treaty has beneficial effects for the United States. It gives impetus to our treaty program with developing countries, strengthens our economic relations with the Philippines, and substantially lowers Philippines taxes on the three-fourths of a billion dollar United States investment in that country. For those reasons I would like to see the treaty ratified, and request that the President send a letter such as that attached to Senator Church, Chairman of the Subcommittee.

A handwritten signature in dark ink, appearing to read "Laurence N. Woodworth", with a stylized flourish extending from the end of the name.

Laurence N. Woodworth
Assistant Secretary for Tax Policy

Attachment

THE WHITE HOUSE
WASHINGTON

August 11, 1977

Z. Brzezinski -

The attached was signed by the
President and the original given
to Bob Linder for appropriate
handling.

Rick Hutcheson

Re: PL 480 Aid for Portugal

logged
8/10 6

X

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

orig to 213

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

LIMITED OFFICIAL USEACTION

August 5, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZB.*
SUBJECT: P.L. 480 Aid for Portugal

As part of our effort to support the Portuguese economy, Secretary Vance proposes an additional \$20 million in P.L. 480 concessional commodity sales, bringing the FY 1977 total to \$70 million. This has interagency approval, is consistent with the 1977 budget for the P.L. 480 program, and is supported by Bert Lance.

Because Portugal trades with Cuba, however, the sales cannot be made without your waiving a legislative ban, by stating that this sale is in the national interest.

The waiver is at Tab A; Secretary Vance's memorandum is at Tab B; Bert Lance's concurrence is at Tab C.

RECOMMENDATION

That you sign the waiver at Tab A.

LIMITED OFFICIAL USE

THE WHITE HOUSE

WASHINGTON

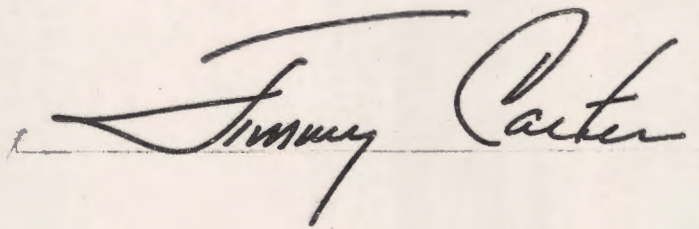
Presidential Determination
No. _____

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF AGRICULTURE

Subject: Determination under Section 103(d)(3)
of the Agricultural Trade Development
and Assistance Act of 1954, as amended
(Public Law 480) Portugal

Pursuant to the authority vested in me under the Agricultural
Trade Development and Assistance Act of 1954, as amended
(hereinafter "the Act"), I hereby:

Determine that for Portugal the waiver of the exclusion
provided for by Section 103(d)(3) of the Act, for the purpose
of selling up to \$20 million worth of agricultural commodities
under Title I during Fiscal Year 1977 in addition to the
\$50 million worth which have already been authorized, is in
the national interest of the United States, and I do waive
that exclusion.

Jimmy Carter

Statement of Reasons that a Waiver Under
Section 103(d)(3) of the Agricultural
Trade Development and Assistance Act of
1954, as amended (Public Law 480), is
in the National Interest

In response to current Portuguese import needs, the Executive Branch proposes to agree to finance the export to that country of up to \$20 million of agricultural commodities in fiscal year 1977 under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480) in addition to the \$50 million worth which have already been authorized.

After almost fifty years of authoritarian rule, a popularly elected Portuguese government took office on August 1, 1976. The United States strongly supports the restoration of democracy to Portugal. However, beset by enormous economic problems, exacerbated by the influx of over half a million refugees, Portugal needs urgent economic assistance. Concessional sales of agricultural commodities to Portugal constitute a tangible demonstration of our willingness to help provide this assistance.

Portuguese nationalized firms export to Cuba. Therefore, in order to enter into an agreement with the Government of Portugal for such a sale under Title I, it is necessary that the President determine that the waiver of the exclusion from eligibility for concessional sales under Title I of P.L. 480 is in the national interest of the United States. Section 103(d)(3) of P.L. 480 excludes from eligibility for concessional sales under Title I any country which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam any equipment, materials, or commodities, so long as those countries are governed by Communist regimes. However, under Section 103(d)(3), the President is authorized to waive this exclusion if he determines that such a waiver is in the national interest.

The considerations noted above make the proposed sale of agricultural commodities to Portugal and the necessary waiver important to the national interest of the United States.

THE WHITE HOUSE
WASHINGTON

Mr. President:

Jack had cleared the memo.

Rick

*Rick -
Indicate in
future who has
cleared
J*

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

August 5, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BUNNY MITCHELL *B*

SUBJECT:

1977 Combined Federal Campaign
Memorandum to the Heads of
Departments and Agencies.

Attached for your signature is a memorandum to heads of Departments and Agencies announcing the 1977 Combined Federal Campaign for the National Capital Area. This is the Federal Government's annual drive for employee contributions to voluntary health and welfare organizations (United Way, National Health agencies, and International Service agencies).

Each year, a Cabinet Officer is recommended by these groups to the Civil Service Commission to serve as Chairperson of the campaign. Secretary Blumenthal has agreed to chair this year's drive which will begin in September.

Following your approval, this memorandum will be distributed and the Civil Service Commission will advise the voluntary agency representatives.

Attachments

NOTE: Jim Fallows has
edited the
proposed memo.

Rick

Correct typo
Clear with
J. Watson
J

C

X

2

THE WHITE HOUSE
WASHINGTON

August 11, 1977

Bunny Mitchell -

The attached was returned in
the President's Box and the
original has been given to Bob
Linder for appropriate handling.

Rick Hutcheson

Re: 1977 Combined Federal
Campaign Memorandum to
the Heads of Depts. &
Agencies

THE WHITE HOUSE
WASHINGTON

August 5, 1977

*Correct typo
Clear with
J. Watson
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: BUNNY MITCHELL *B*
SUBJECT: 1977 Combined Federal Campaign
Memorandum to the Heads of
Departments and Agencies.

Attached for your signature is a memorandum to heads of Departments and Agencies announcing the 1977 Combined Federal Campaign for the National Capital Area. This is the Federal Government's annual drive for employee contributions to voluntary health and welfare organizations (United Way, National Health agencies, and International Service agencies).

Each year, a Cabinet Officer is recommended by these groups to the Civil Service Commission to serve as Chairperson of the campaign. Secretary Blumenthal has agreed to chair this year's drive which will begin in September.

Following your approval, this memorandum will be distributed and the Civil Service Commission will advise the voluntary agency representatives.

Attachments

NOTE: Jim Fallows has
edited the
proposed memo.

Rick

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

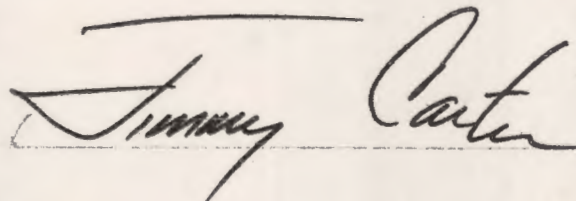
DEPARTMENTS AND AGENCIES

I am pleased to tell you that W. Michael Blumenthal, Secretary of the Treasury, has agreed to serve as Chairman of the Combined Federal Campaign for the National Capital Area this fall.

This campaign, which begins in September, combines the solicitation efforts of the United Way of the National Capital Area, the National Health Agencies, and the International Service Agencies. In this single drive we will seek to do our share to meet the needs of more than 150 local, national and international health, welfare and social service agencies.

The needs of the voluntary organizations supported by the Combined Federal Campaign are great. These organizations perform essential services in helping the disadvantaged, in serving youth and the aged, in healing the sick, and in helping those in need overseas. CFC gives all of us who are Federal employees, whether civilian or military, a unique opportunity to pledge our help to people in our community, our nation, and around the world -- a pledge made more convenient by the availability of voluntary payroll deductions.

I request that you serve personally as Chairman of the campaign in your organization and that you appoint one of your top assistants as your Vice Chairman. Please advise Secretary Blumenthal of the person you designate as Vice Chairman. I am confident that Secretary Blumenthal will have your wholehearted support in this endeavor, and I urge you to commend the campaign to everyone in your organization.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written with a large, sweeping initial "C". The signature is positioned above a horizontal line.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

10 August 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Memos Not Submitted

1. HERKY HARRIS MEMO re: Foreign Service Authorization Bill.
In May you asked OMB to try to eliminate an amendment added by the House which would provide a special pension annuity for six foreign service officers at age 50. Despite considerable efforts by State, OMB and CSC, the conferees sustained the House position and left in the objectionable amendment. However, the conference report includes language stating that the special annuities for the six foreign service officers should not set a precedent for similar treatment in either civilian or military retirement systems.
2. JUANITA KREPS MEMO responding to your memo responding to your memo to her of July 30, asking her to use the LPW program to stimulate energy conservation, particularly the insulation of public buildings, and to talk with Cong. Mikulski about these matters.

She reports that DoC has been generally successful in using LPW funds to stimulate energy conservation, and estimates that about \$200 million in LPW funds will be spent for energy-related construction costs which would otherwise not have been included. She further reports that EDA is committing two-thirds of its FY 1978 Public Works Impact Program (\$20 million) for the insulation of public buildings. DoC is consulting with DoE and with Cong. Mikulski on these matters.

She states, however, that given the objectives for the LPW program -- to quickly stimulate the economy and to select projects in light of local needs -- there are limits to DoC's ability to use the LPW program to support energy conservation. She also reports that given the end-of-fiscal-year deadline for processing project applications, it is not possible to revise the program now to somehow place greater emphasis on energy conservation. A copy of her memo has been sent to Secretary Schlesinger.

Electrostatic Copy Made
for Preservation Purposes

Filed to Central File

THE WHITE HOUSE
WASHINGTON
August 11, 1977

Hamilton Jordan
Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson
INTERNATIONAL TRADE COMMISSIONER
cc: Jim Gammill

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input checked="" type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

✓ Gammell

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 8., 1977

MEMORANDUM FOR PRESIDENT CARTER

FROM: HAMILTON JORDAN *HJ*

SUBJECT: INTERNATIONAL TRADE COMMISSIONER

As a result of the comments on my memo to you proposing Bill Alberger or Paula Stern for a member of the International Trade Commission, I checked further with Bob Strauss.

Bob had originally proposed Alberger and requested that we interview him for ITC. He has since then had further conversations with Alberger on his general philosophy on trade issues and reports that Alberger's approaches to trade issues are compatible with his, and Alberger shares our conviction that the ITC needs "turning around." He would be generally liberal in interpretation of the laws and Strauss feels comfortable in giving his assurance that the appointment would be a good one from the Administration's point of view. When Frank Moore and I met with Alberger we, too, were impressed with him. Although we did not go deeply into his views on trade issues, we felt he would bring to the ITC a commitment that was similar to that of the Administration.

Based on this further checking, Frank and I recommend Alberger as first choice for ITC.

Interview Alberger ✓

Interview Stern

Other

JC

Summary

Both candidates are well qualified. Frank Moore and I strongly recommend Alberger over Stern for the following reasons:

- 1) He is well qualified
- 2) He has the strong personal backing of Ullman. As Ullman will tell you, this is the only recommendation that he has made to us. He feels very strongly about it. A good working relationship with Ullman on a number of issues is important to us (welfare reform, tax reform, etc.).
- 3) Strauss' high recommendation. As our principal person on trade issues, it is important that Strauss have someone at ITC whose views are compatible with ours, and Strauss is convinced Alberger is that person.

Interview Alberger _____

Interview Stern _____

Other _____

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

July 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ.*

SUBJECT: INTERNATIONAL TRADE COMMISSION

We have one vacancy on the International Trade Commission, a Democratic seat. This agency is composed of six Commissioners, and at present therefore there is a Republican majority. Because we thought the Commission might be a candidate for reorganization, we did not propose a candidate earlier; however, it now appears it will take some time before the Reorganization Study looks at the Commission, and in the meantime there will be some very important cases which will come before the Commission in the near future. We would not want to have these decisions made by a Commission dominated by a Republican majority.

A profile on the ITC is attached. This group works very closely with Bob Strauss and Bob has urged that we move on this appointment. We are also under considerable Congressional pressure to make an appointment. We have identified two candidates, William R. Alberger, Administrative Assistant to Congressman Al Ullman, and Paula Stern, Legislative Assistant to Senator Gaylord Nelson. Biographical material and comments on both are attached.

*Ham - How
about philosophy
on protectionism
We must turn ITC
around
J*

THE WHITE HOUSE
WASHINGTON

August 11, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

FEDERAL HOME LOAN BANK BOARD

cc: Jim Gammill

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
✓		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

✓ Hammill

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

August 8, 1977

MEMORANDUM TO PRESIDENT CARTER

FROM: HAMILTON JORDAN *H.J.*

SUBJECT: FEDERAL HOME LOAN BANK BOARD

Now that we have a Chair for the Federal Home Loan Bank Board, we can focus our attention on the second of your two appointments to the Board.

Bob McKinney was appointed to fill the seat which became vacant when Grady Perry's term expired on June 30, 1977. McKinney will have a full four-year term. The second vacancy is for a ten month term - one that expires on June 30, 1978.

My recommendation is that you appoint Grady Perry to fill this vacancy. In his four years as the Democratic member under a Republican administration, Perry has established a middle-of-the-road record; he has satisfied neither industry nor consumer groups. He is responsible for the toughest conflict of interest regulations ever imposed on the financial world, but at the same time consumer groups feel he has not taken a strong enough stand against redlining. Perry is a team player whose substantial legislative experience would be a valuable resource and would complement the assets Bob McKinney will bring to the Board.

Senator Sparkman, who was responsible for Perry's initial appointment to the Board, very strongly supports his re-appointment. He wanted Grady to be Chairman but supported McKinney enthusiastically. Frank Moore will tell you that Sparkman has supported us on everything, and this is the only thing he has ever asked us to do--but this is very important to him.

Approve Perry ✓

Disapprove Perry _____

Other _____

Attachment

Bio

J
Electrostatic Copy Made
for Preservation Purposes

GRADY PERRY, JR.
Member, Federal Home Loan Bank Board
Washington, D. C. 20552

Biographical Notes

Current Appointment and Responsibilities: Nominated by the President on May 22, 1973, as a Member of the Federal Home Loan Bank Board and a Director of the Federal Home Loan Mortgage Corporation for a 4-year term ending June 30, 1977, succeeding Thomas Hal Clarke as the Democratic Member of the bipartisan Board. Confirmed by the U. S. Senate on May 31, 1973. Sworn in by Senator John J. Sparkman, Chairman of the Senate Committee on Banking, Housing, and Urban Affairs, on June 7, 1973.

Previous Experience: Served continuously since July 5, 1965, as Congressional Liaison Officer of the Federal Home Loan Bank Board. Chief Clerk of the Subcommittee on Housing, Committee on Banking and Currency, U. S. House of Representatives (1960-1965). Legislative Assistant to former Representative Albert Rains of Alabama (1955-1959). Two years of service in U. S. Marine Corps including 13 months in Korea (April 1952-April 1954).

Education: Undergraduate work at George Washington University and The American University in Business Administration. Graduate courses in Real Estate at The American University.

Personal Details: Born February 23, 1931, at Gadsden, Ala. Married to the former Louise Wallace, also of Gadsden. The Perrys have two sons and reside in Laurel, Md.

THE WHITE HOUSE
WASHINGTON

August 11, 1977

Stu Eizenstat
Jack Watson
Bert Lance

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

Re: Condominium Recreation Leases

THE WHITE HOUSE
WASHINGTON

August 11, 1977

MEMORANDUM FOR
THE HONORABLE PATRICIA ROBERTS HARRIS
Secretary of Housing and Urban Development

Re: Condominium Recreation Leases

The President reviewed your memorandum of August 3 on the above subject and made the following notation:

"Pat - Push this - Work with Lehman, Pepper, Stone, Childs and condominium groups."

Please follow-up with appropriate action.

Rick Hutcheson
Staff Secretary

THE WHITE HOUSE
WASHINGTON

Should this have memo to Sec. Handed

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	✓	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	✓	WATSON
	✓	LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

August 3, 1977

*Pat - Push This -
Work with Lehman,
Pepper, Stone, Childs
& Condominium
group -
J.C.*

MEMORANDUM FOR: The President

SUBJECT: Condominium Recreation Leases

At our meeting last week, you expressed concern about condominium recreation leases, especially the fact that these leases were tied to cost-of-living indices.

The HUD Condominium and Cooperative Study, conducted recently in response to Congressional concern in this area, identified long term recreation leases as one of the ten most significant problems for condominium owners. Some of the important aspects of the problem are:

- o purchasers contend that they do not have adequate information about the lease when they buy the condominium;
- o the leases are binding contracts, usually running for 99 years, and in most cases, the lease is secured by a lien on the condominium unit;
- o in most cases, the lease payment increases each year by the percentage increase in cost-of-living indices; and,
- o in addition to the lease payments, owners must often pay all operating expenses.

**Electrostatic Copy Made
for Preservation Purposes**

Several actions have been taken by the Federal Government to prevent this problem in the future. They are:

- o HUD/FHA will not insure mortgages on condominium units with unfair recreation leases. This is a long-standing practice;
- o Members of a HUD-initiated Condominium Task Force, including the Veterans Administration, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, have publicly proposed that they will not usually guarantee, purchase or insure a mortgage on a condominium unit with a recreation lease unless the lease is bona fide, commercially reasonable and cancellable;
- o HUD has actively supported the development of the Uniform Condominium Act (UCA). The UCA is a model state law which (1) provides that all recreation leases created after the enactment of the Act may be terminated without penalty by the owners association at any time after the executive board elected by the unit owners takes office; (2) requires adequate consumer disclosure before a contract is signed; and (3) provides that for a 15-day period after receipt of a public offering statement, a purchaser may, prior to conveyance, cancel any contract for purchase of a unit. To the extent that UCA is widely adopted it will lead to a standardization of condominium requirements.
- o The Federal Trade Commission has initiated legal action in Miami as a result of its investigation of condominium abuses.

Unfortunately, the above actions do not solve the problems unit owners have with recreation leases which are already in effect. Consumer law suits have not been successful. Similarly, the Florida State legislature was prevented by the Supreme Court of Florida from retroactively outlawing such leases. Consumer efforts to purchase the recreation facilities and thus cancel their leases proved expensive and complex. Finally, Attorney General Bell has recently informed the Florida Attorney General that he could find no prosecutable violations of Federal criminal, mail fraud or anti-trust laws.

A promising approach to the problem may be with State legislatures, like Florida, and the courts. For instance, a recent Florida law permits condominium owners to ask the courts to declare their leases unconscionable, shifting the burden of proof to the developer to justify the recreation lease. However, the Federal Government can enact legislation directed to this problem.

During your campaign, you expressed support for a comprehensive Bill of Rights for condominium owners and purchasers. We are analyzing various bills introduced in this session of Congress in order to ascertain whether any adequately address the concerns that you have expressed and merit your support, and we are reviewing, within the Department, the possibility of introducing in the Congress an Administration proposal. We will also closely monitor the progress of State legislatures in enacting the Uniform Condominium Act (UCA). We will explore various incentives to States to encourage adoption and enforcement of condominium consumer protection measures.

We are in complete agreement with your campaign promise to deal with the serious problem of unfair recreation leases, and we will be doing whatever we can to seek an equitable solution.

A handwritten signature in dark ink, appearing to read 'Pat' with a stylized flourish above it.

Patricia Roberts Harris

THE WHITE HOUSE

WASHINGTON

Date: August 4, 1977

MEMORANDUM

FOR ACTION:

*Comments
Coming*
Stu Eizenstat - *NC*
Jack Watson - *no comment*

FOR INFORMATION:

The Vice President
Bob Lipshutz
Frank Moore
Bert Lance

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Harris memo dated 8/3/77 re Condominium
Recreation Leases

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: AUGUST 6, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
material, please telephone the Staff Secretary's Office at (202) 456-7000.

THE WHITE HOUSE
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	
FYI	

/	MONDALE
	COSTANZA
/	EIZENSTAT
	JORDAN
/	LIPSHUTZ
/	MOORE
	POWELL
/	WATSON
/	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE

WASHINGTON

Date: August 4, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Jack Watson

FOR INFORMATION:

The Vice President
Bob Lipshutz
Frank Moore
Bert Lance

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Harris memo dated 8/3/77 re Condominium
Recreation Leases

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: AUGUST 6, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

August 3, 1977

MEMORANDUM FOR: The President

SUBJECT: Condominium Recreation Leases

At our meeting last week, you expressed concern about condominium recreation leases, especially the fact that these leases were tied to cost-of-living indices.

The HUD Condominium and Cooperative Study, conducted recently in response to Congressional concern in this area, identified long term recreation leases as one of the ten most significant problems for condominium owners. Some of the important aspects of the problem are:

- o purchasers contend that they do not have adequate information about the lease when they buy the condominium;
- o the leases are binding contracts, usually running for 99 years, and in most cases, the lease is secured by a lien on the condominium unit;
- o in most cases, the lease payment increases each year by the percentage increase in cost-of-living indices; and,
- o in addition to the lease payments, owners must often pay all operating expenses.

Several actions have been taken by the Federal Government to prevent this problem in the future. They are:

- o HUD/FHA will not insure mortgages on condominium units with unfair recreation leases. This is a long-standing practice;
- o Members of a HUD-initiated Condominium Task Force, including the Veterans Administration, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, have publicly proposed that they will not usually guarantee, purchase or insure a mortgage on a condominium unit with a recreation lease unless the lease is bona fide, commercially reasonable and cancellable;
- o HUD has actively supported the development of the Uniform Condominium Act (UCA). The UCA is a model state law which (1) provides that all recreation leases created after the enactment of the Act may be terminated without penalty by the owners association at any time after the executive board elected by the unit owners takes office; (2) requires adequate consumer disclosure before a contract is signed; and (3) provides that for a 15-day period after receipt of a public offering statement, a purchaser may, prior to conveyance, cancel any contract for purchase of a unit. To the extent that UCA is widely adopted it will lead to a standardization of condominium requirements.
- o The Federal Trade Commission has initiated legal action in Miami as a result of its investigation of condominium abuses.

Unfortunately, the above actions do not solve the problems unit owners have with recreation leases which are already in effect. Consumer law suits have not been successful. Similarly, the Florida State legislature was prevented by the Supreme Court of Florida from retroactively outlawing such leases. Consumer efforts to purchase the recreation facilities and thus cancel their leases proved expensive and complex. Finally, Attorney General Bell has recently informed the Florida Attorney General that he could find no prosecutable violations of Federal criminal, mail fraud or anti-trust laws.

A promising approach to the problem may be with State legislatures, like Florida, and the courts. For instance, a recent Florida law permits condominium owners to ask the courts to declare their leases unconscionable, shifting the burden of proof to the developer to justify the recreation lease. However, the Federal Government can enact legislation directed to this problem.

During your campaign, you expressed support for a comprehensive Bill of Rights for condominium owners and purchasers. We are analyzing various bills introduced in this session of Congress in order to ascertain whether any adequately address the concerns that you have expressed and merit your support, and we are reviewing, within the Department, the possibility of introducing in the Congress an Administration proposal. We will also closely monitor the progress of State legislatures in enacting the Uniform Condominium Act (UCA). We will explore various incentives to States to encourage adoption and enforcement of condominium consumer protection measures.

We are in complete agreement with your campaign promise to deal with the serious problem of unfair recreation leases, and we will be doing whatever we can to seek an equitable solution.

Pat

Patricia Roberts Harris

THE WHITE HOUSE

WASHINGTON

Date: August 4, 1977

MEMORANDUM

449

FOR ACTION:

Stu Eizenstat
Jack Watson

FOR INFORMATION:

The Vice President
Bob Lipshutz
Frank Moore
Bert Lance

XC *Camp*
Kaplan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Harris memo dated 8/3/77 re Condominium
Recreation Leases

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: SATURDAY

DATE: AUGUST 6, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

 I concur.

Please note other comments below:

✓ No comment. *Shi Gurdh*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.